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MAY 15, 1967

INDIA'S COTTON INDUSTRY FACES YEAR OF SHORTAGES

U.S. PROCESSED FOODS SCORE AT FAIRS ABROAD

OUR MINOR FARM EXPORTS

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MAY 25 1967

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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MAY 15, 1967

VOLUME V • NUMBER 20

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Giant knife and fork at head of U.S. pavilion at Edinburgh's Ideal Home Exhibition invites visitors to get ready to sample and purchase good food from the USA. See page 9 for details.

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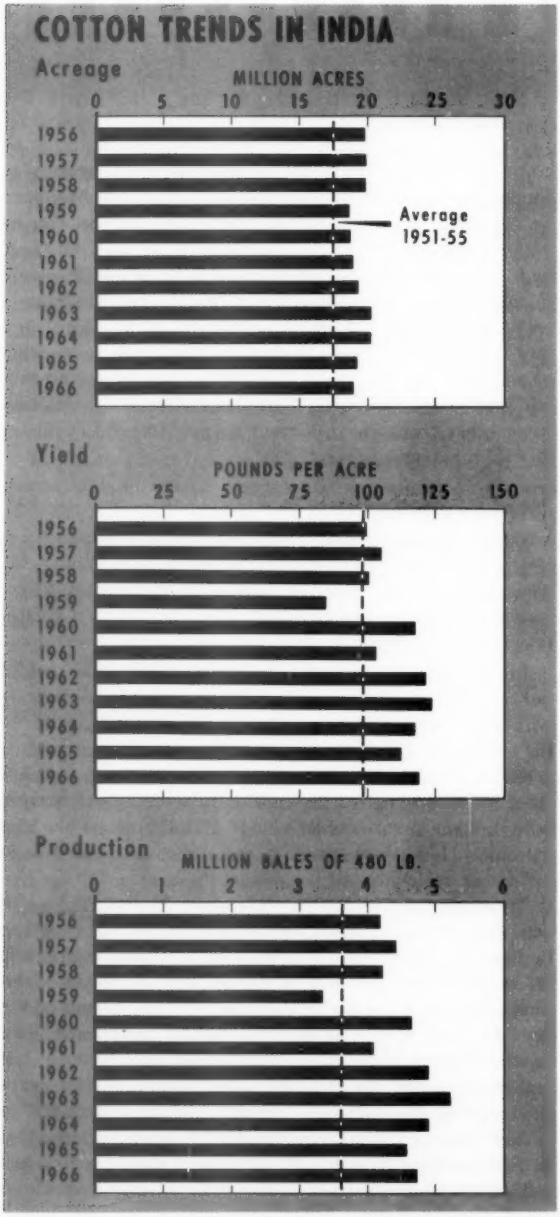
Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.

India's Cotton Industry Faces Another Year of Shortages

Continued poor crops have forced this huge textile producer to depend increasingly on imported cotton.

By ROBERT B. EVANS
U.S. Agricultural Officer, Bombay



Besides chronic shortages of food, India has chronic shortages of cotton and cotton textiles. Poor cotton crops both last season and this have accentuated the problem, forcing India on December 12, 1966, to close down all of its cotton mills 2 days a week instead of the customary 1 day. Although the compulsory closure was reduced in April to an extra day every other week, it is feared that many mills will run out of cotton before November, when the next Indian crop arrives in volume.

Heavy shipments of U.S. cotton will temporarily ease the shortage, boosting India's carryover of foreign cottons in August to about 500,000-600,000 bales[1] from the 350,000 of a year ago. However, total stocks of cotton are likely to continue very low, at around 2.2 million bales, and stocks of Indian cotton will probably decline for the third straight year to some 1.6 million bales.

Pressing need for textiles

Despite the fact that much of India lies in the tropics, there is a pressing need in many parts of the country for more clothing and other textiles. Winter temperatures fall to near freezing in much of India and to far below freezing in the Himalayas and adjacent regions. And clothing is also badly needed as a protection against the hot sun. Reflecting these needs, market research studies, in which Cotton Council International participated, indicate that once an Indian family has a little more money than just enough to buy food, the family's clothing purchases rise rapidly.

As with food, India's textile dilemma is how to increase supply as rapidly as the 2.4-percent annual gain in population and then provide at least a little more to help raise the level of living. With 500 million people already on hand, this is no easy task; it means providing for 12 million additional people each year.

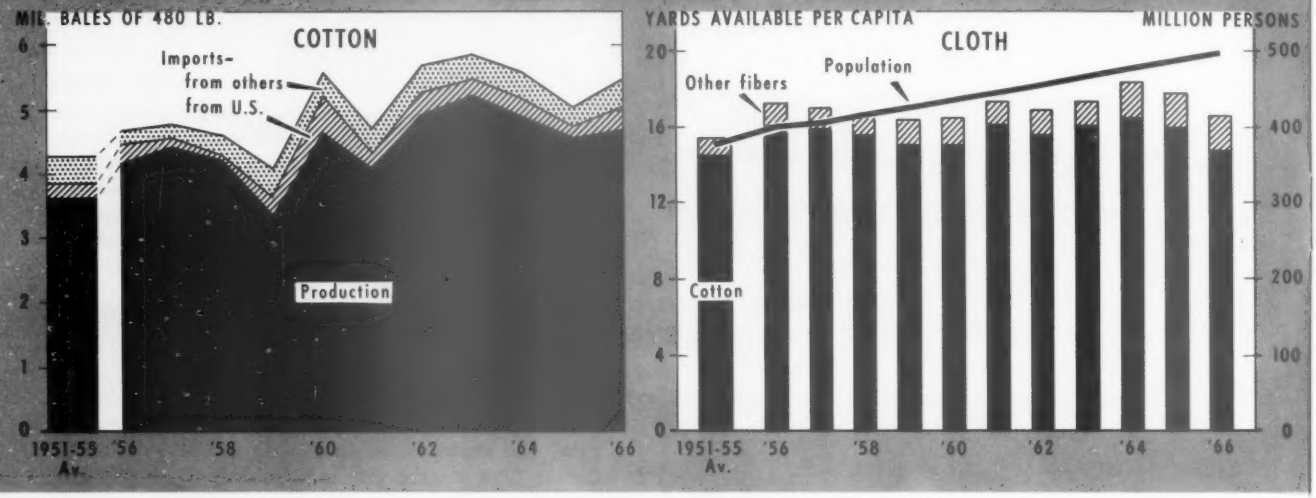
India, however, was making some progress in this task until recently. The per capita supply of textiles rose from an average of 15.4 yards, of which 14.6 were cotton, during 1951-55 to a peak of 18.3 yards, 16.5 of them cotton, in 1964. Since then, the trend has been downward, and in 1966 the per capita textile supply fell to only 16.6 yards—the smallest quantity since 1960. Of this figure, cotton goods accounted for 14.7 yards—the smallest per capita consumption of cotton since 1952.

Decline in cloth supply likely

With little or no increase in production of cotton fabrics in prospect and with population continuing to mount, the per capita supply of cotton cloth is almost certain to decline further in 1967. There could be small but only partially offsetting gains in the supply of cloth made of manmade fibers, which now provide 8 percent of India's textile requirements compared with the 90 percent provided by cotton. Wool accounts for only about 2 percent of the fiber consumption, and silk—despite all the beautiful silk goods in India—accounts for less than ½ percent.

[1]All bales in this article are bales of 480 pounds net weight.

INDIA'S SUPPLIES OF COTTON AND CLOTH LAGGING



Major cotton producer

The first and primary problem in expanding India's supply of textiles is to get more raw cotton.

India always has been one of the most important cotton-growing countries of the world, and the Indian cotton acreage nearly doubled from 1947-48 to 1955-56 as a result of efforts to make up for the loss of cotton areas to Pakistan at the time of partition. Since then, Indian cotton acreage has fluctuated between 18 million and 20 million acres each season, depending mainly on weather at the time of planting. This is the largest cotton acreage of any country in the world—50 percent more than the average in the United States in recent years—even though cotton comprises only 5 percent of India's cropped area, compared with 75 percent in foodgrains and pulses, 10 percent in oilseeds, and the rest largely in other food crops.

Acreage gains in the early years after partition led to a sharp rise in production, from an average of 3.7 million bales (480 lb. net) in 1951-55, to 4.2 million in 1956-60, and on to a peak of 5.2 million in 1963-64. But severe drought last season caused output to backslide to 4.6 million bales, and it now appears that the 1966-67 crop will be no larger.

It is time for India to have a better crop next season, according to the age-old Indian rule of a poor year, an indifferent year, and a good year out of every three. However, even if India has a good 1967-68 cotton season, present trends in acreage and yields make it unlikely that production will exceed the 1963-64 record.

Some diversion away from cotton

For the time being, India's dire need for more food has taken precedence over cotton. In certain areas and under certain conditions, the hybrid millets now being introduced will pay the farmer more at current prices than will cotton, and diversions away from cotton have been reported. Cotton acreage declined last season, and although final reports are not in, it may have declined further this season.

Still, not more than a moderate percentage of the cotton acreage is likely to be affected by diversions to foodgrains unless other reliable sources of textile fibers can be found, or the yield per acre of Indian cotton can be greatly increased. India needs clothing as well as food, and cotton prices are likely to rise to levels that will maintain output. In cotton, many Indian farmers have a crop that will provide them with cash to pay taxes and buy clothing and other necessities; it is grown in rotation or mixed with food crops like grain sorghum, spiked millets, and pulses. And even if the economics of the situation favor other crops, most farmers do not have the resources to risk rapid changeovers.

One of the lowest yielders

Indian production of cotton—like that of other crops—is held back by extremely low yields resulting from the country's primitive agricultural methods and from very limited inputs of machinery, fertilizer, insecticides, and high-quality seed.

India's average yield of less than 125 pounds of cotton per acre is one of the lowest in the world, contrasting with 482 pounds this season in the United States. Even in the irrigated areas—which account for 15 percent of India's cotton land—yields average only 225 pounds per acre. Elsewhere, output depends on how the monsoon turns out; in some areas—where yields of other crops are also extremely low—farmers will grow cotton even though yields are as low as 40 pounds to the acre.

Total rainfall in India's raingrown cotton regions is usually adequate to grow cotton, but the way it falls can be highly erratic. More than half of the rain—and nearly all in some regions—falls in the summer monsoon beginning about June 15. Sometimes the rains begin late, or are not well spaced, or—of possible greater importance than anything else—they end too early, as they did in last season's drought. In the west coast cotton region north of Bombay, the rains customarily end in September or earlier, and the cotton crop is pulled through to harvesting in February and March only by ground moisture and dew fall; but a prolonged spell of dry, cold weather last winter

dashed expectations for a good yield this season.

Indian cotton yields could benefit in the year ahead from increased efforts now being made to provide more fertilizer and insecticides and to improve Indian agriculture generally. It takes time, however, to effect changes in a country so vast and with so many small farmers. Moreover, priority in the assignment of resources now is being given to food crops, and the former centralized direction of efforts to increase cotton output has been lost in a recent government reorganization separating cotton research and development activities. Under these circumstances, there will probably be no more than a very gradual uptrend in yields, with continued marked variations from one season to the next.

Sharp rise in prices

Reflecting India's acute cotton shortage are the present high prices for the fiber.

The cost of cotton fabrics is an important item in the budget of nearly every Indian, so the government requires that over half of the mill production of cotton cloth be of specified types at specified ceiling prices. These prices in turn are related to prices for raw cotton, which also are subject to official ceilings.

Since last summer unofficial quotations for cotton have been well over the ceilings, in some cases by 50 percent, and the mills complain that they are unable to purchase cotton at levels that will permit them to maintain their profit margins. At present, Indian 7/8-inch cotton sells in India for the equivalent (at official exchange rates) of 27.6 cents per pound, compared with 18.9 cents for U.S. cotton of the same staple length in the designated spot markets of the United States. For 1-1/32-inch cotton, the comparison is 41.7 cents per pound against 23.2 cents.

The government has prohibited the movement of Indian cotton without official permits and is requisitioning about 100,000 bales of certain hard-to-get varieties at official ceiling prices from cooperatives, merchants, and mills for other mills that threaten to close otherwise. Also, tight credit restrictions have been imposed on cotton dealers. Although these measures have had some effect, unofficial quotations for all but the shortest staples continue far above government ceilings.

Cotton imports stepped up

Since independence, India has had to supplement its domestic production with imports each year of from 300,000 to 900,000 bales. Imports declined from 668,000 bales in 1964-65 to 454,000 in 1965-66 under the effect of a virtual stoppage in foreign exchange spending for foreign cottons. This season, however, both imports from the United States and from other countries are being stepped up, to an expected total of 735,000 bales. A Public Law 480 agreement for 680,000 bales of U.S. upland and 20,000 of extra long staple cotton was signed May 27, 1966. Under this agreement, Title I, P.L. 480 authorizations have been issued for a total of 250,000 bales of U.S. upland and 20,000 of American Egyptian cotton.

In addition, there has been a small but quite steady flow of U.S. cotton into India under a barter transaction entered into in 1963. The largest bilateral barter transaction in the history of the United States, the arrangement involves the exchange of $33.9 million worth of U.S. cotton for Indian manganese, ferromanganese, and beryl ore. India imported around 60,000 bales of U.S. cotton under this agreement during 1965-66 and probably will take more than that this season. Thus, with about 16,000 bales purchased for dollars, India in 1966-67 is expected to import nearly 350,000 bales from the United States compared with 190,000 last season.

Occasionally, a short domestic crop like this season's leads to considerable import demand for cotton of around 1-inch staple. But normally Indian imports are largely concentrated on the longer staples.

In fact, India, with all of its domestic crop either short or short-medium in staple length, is the world's second largest importer and user of extra long staple cotton behind the USSR. In 1965-66, India imported some 150,000 bales of this type from the United Arab Republic and another 103,000 from the Sudan; the same level of imports is in prospect for 1966-67. This cotton is imported under rupee trade agreements in return for such products as tea, jute goods, diesel engines, pumps, electric fans, and, in the case of the Sudan, cotton goods.

India also is a substantial importer of long-medium staple cottons from East Africa, but because of a foreign exchange shortage, such imports last season plummeted to 9,000 bales from the 91,000 of 1964-65. This season at least a partial recovery is expected as the result of trade agreements with Uganda and Tanzania for about 50,000 bales and a resumption of cash purchasing by India. Imports for free foreign exchange from such countries as Peru, Morocco, and Aden—largely of extra long staple cotton—also may recover.

In 1964-65, India purchased 41,000 bales of short-medium staple cotton from Pakistan, but trade with that country came to a stop with the outbreak of hostilities in the fall of 1965. Although formal trade relations with Pakistan still have not been resumed, it recently was announced that India would allow the purchase of 41,000 bales for free exchange with the proviso that the cotton be below 1-1/16-inch in staple length and not cost more than 23.8 cents per pound, c.i.f. Bombay. Such cotton, according to the Bombay trade, could only be purchased in Pakistan; however, because of trade restrictions, transactions might have to be made through third countries.

One seemingly anomaly this season is the expected rise in India's cotton exports. The explanation for this large export in the face of a shortage is that in both 1965-66 and 1966-67, India produced around 400,000 bales of a native Indian variety known as Bengal Deshi. This cotton is very coarse and has an extremely short staple length, so that its use is limited to coarse yarns and paddings.

The Indian mills find use for only part of the crop, and the rest is exported, largely to Japan. With a large carryover from last season and a good crop this season, exports from India may total 225,000 bales, compared with 140,000 last season. Unlike prices for other Indian cotton, prices for Bengal Deshi cotton have been coasting along well below government ceilings and are currently equivalent to about 14 U.S. cents per pound.

A top exporter of cotton cloth

Next to Japan, India is the world's largest exporter of cotton cloth—this in spite of the fact that only 7.5 percent of India's cotton cloth production is shipped out. Exports of cotton piece goods during June-December 1966, however, fell one-third from the 1965 period.

Exports should have benefited from the devaluation last June of the rupee from 21 to 13.3 U.S. cents, but at the same time, export incentives were eliminated. On some products and to some countries, these incentives amounted to more than the extent of the devaluation.

Textile capacity expanded, but use falls

Four years ago the Government of India found that textile production was falling behind plans and that the per capita availability of cotton cloth had not increased very much. Encouraged by two good cotton crops, the country decided to partially relax restrictions on the expansion of cotton mills, and from the beginning of 1963 until November 1966 India added 2.5 million spindles in its cotton textile industry. During the last 10 years, India has had the largest expansion in cotton spindles of any country in the world, and today it is surpassed only by the United States in the number of such spindles.

Practically all of India's cotton yarn is spun in cotton mills, despite efforts by the government to encourage village industries and to maintain ancient crafts.

With weaving, however, the situation is much different. Although Indian mills have one of the largest numbers of looms in the world, there has been little change in the number in recent years, and the production of mill-made cloth today is actually less than 10 years ago. To encourage hand weaving, heavy taxes and controls are imposed on the mills and mill-woven cloth; these taxes are largely escaped by the hand looms.

The result has been a steady expansion in production of cotton cloth in what is termed the "decentralized sector." This includes nearly 3 million hand looms plus an estimated 75,000 to 125,000 power looms, which are old looms sold by mills that are now working in small units.

With the present expanded capacity, India today could consume an estimated 5.9 million bales of cotton annually. Peak cotton consumption occurred in 1964-65, when it totaled 5.5 million bales. Last season, however, it dropped to 5 million bales under the impact of hostilities with Pakistan, power cuts in South India, and reduced purchasing power because of poor crops and high food prices. The 1966-67 season began hopefully, with unsold stocks of yarn and cloth at low levels. But with a short cotton crop and reduced imports last season, India soon found itself in another period of acute cotton shortages.

Two-thirds of the Indian cotton crop usually arrives on the market in the months of December through April and with heavy imports arriving this spring the cotton shortage temporarily is over. But, since it is now evident that India has another small crop, there is almost certain to be another cotton shortage in the fall of 1967.

Rise in Australia's Oilseed Crops Discouraging to Oil Imports

Australia, facing surplus production of several major oilseeds, may be importing much less vegetable oil after 1966-67. Imports would probably have declined earlier if local oilseeds had not suffered from drought in 1965-66.

The United States will feel the effect of this changing trade pattern, for it has been a principal supplier of vegetable oils to Australia. Substitutions—like that of local safflowerseed oil for imported soybean oil in industrial uses and that of local safflower and cottonseed oils for imported peanut oil in edible uses—are likely to slash U.S. sales of all these oils to Australia.

Australia's production of safflower seed has shown spectacular growth during the past 2 years, and safflower oil output too has risen sharply. During 1965-66 it was about 7.2 million pounds, but for the 1966-67 season, production has been forecast at 22.4 million.

Virtually the entire domestic output of safflower oil has gone into edible uses during the past 2 years. But edible consumption is likely to be seriously affected by a recent decision to hold table margarine manufacturing quotas at the 16,000-ton level.

Increased industrial usage, replacing imported soybean oil, could absorb about 10 million pounds of the possible 16-million-pound surplus. This, however, would require either lower domestic safflower oil prices or increased tariff protection. Exports of seed are another potential outlet, with Japanese buyers reported showing interest.

In any case, Australia's imports of safflower oil—7.0 million pounds in 1964-65 and 7.9 million in 1965-66, nearly all from the United States—will dwindle; 1966-67 could be the last year of substantial imports.

A similar position is developing with cottonseed oil as a consequence of the rapid expansion of cotton growing in Australia. By 1970, cotton production could well reach 140,000 bales—some 10,000 over current requirements. The volume of oil resulting would be close to 20 million pounds. Domestic crushings from the 1966 seed crop yielded about 10.6 million, more than double the previous year's.

Current cottonseed oil consumption is estimated at about 7 million pounds. Most of this (5.3 million in 1965-66) is used in margarine. As with safflower oil, margarine production quotas have set a limit on expansion of sales, which could be bypassed only by reducing the use of imported peanut oil. Surplus cottonseed might be exported to Japan; but export levels would be governed by the need of utilizing the large crushing facilities now being developed in the major cotton producing area.

Australian imports of cottonseed oil were 2.5 million pounds in 1965-66 as against 5.4 million the year before—nearly all from the United States. A further sharp reduction is foreseen for 1966-67, with imports from the United States unlikely to reach 200,000 pounds.

Peanut production too is increasing rapidly, beyond the requirement for edible nuts, so that substantial quantities are being sold for crushing. Imports of peanut oil have shrunk somewhat as the margarine industry has turned to other oils; in 1965-66 they still amounted to about 18 million pounds, of which the United States supplied nearly a third. This year, Communist China, offering oil at highly competitive prices, has replaced the United States as the major import source.

Soybean plantings in Australia have dwindled because of low returns, and oil imports—ranging around 10 million pounds, over 90 percent from the United States—have supplied most of the requirements. Future imports will depend on whether soybean oil can retain its price advantage over safflower oil in industrial uses.

—Based on a dispatch by WILLIAM R. HATCH
U.S. Agricultural Attaché, Canberra

At Edinburgh, Sergeant Balfour of the Queen's Own Highlanders (above) samples fruit cocktail and housewife (above right) buys lobster bisque. Right, U.S. processed foods are unpacked for Stockholm exhibit.

American Processed Foods Score at Edinburgh, Stockholm Exhibits

Two firsts in American food promotions overseas within the past month scored rousing successes, according to USDA officials on the scene. U.S. processed foods were exhibited for the first time in Edinburgh, Scotland, and at the new U.S. Trade Center in Stockholm, Sweden.

In Edinburgh, the U.S. display was part of the annual Ideal Home Exhibition—aimed at both the trade and the general public—and featured over 400 products from some 44 firms. The three-pronged exhibit included an area for commercial firms, one for commodity organizations, and one for U.S. products new to Edinburgh and its environs.

At the commercial booths—where 9 U.K. importers and agents for U.S. firms offered some 378 items for sale—best sellers were rice packed in bags in which it is cooked; frozen cakes, pies, fruits, asparagus, broccoli, orange juice, and precooked meals; sour cream dip mixes; honey in squeeze bottles the size and shape of oranges; seasonings like powdered and instant onion, parsley flakes, and seasoned salt; and canned pineapple, fruit cocktail, and corn on the cob.

The bagged rice went over so well, the agent doubled his order for supplies for the whole show the first day. At another booth, people lined up to sample seasoned salt—by licking it from the backs of their hands.

Three market development cooperators—the California Prune Advisory Board, the U.S. Rice Council for Market Development, and the California Raisin Advisory Board—sponsored industry-wide displays at the exhibit. Making its first appearance in Edinburgh, California raisin bread sold so briskly, the opening-day order for 250 loaves was doubled for subsequent days. Also popular were free samples of prune-and-cheese kabobs and rice dishes.

The new products area as part of a U.S. food exhibit made its trial run at Edinburgh and will be repeated at three more fairs this year. At this counter, Grocery Manufacturers of America, Inc., introduced 36 U. S. items not currently sold in Edinburgh stores. Best sellers included canned popcorn, vacuum-canned chicken, salad dressings, and gourmet soups like lobster bisque and vichyssoise.

Concurrent with the last 2 weeks of the 18-day exhibition, many of the same U.S. foods were promoted in 24 grocery stores in the Edinburgh area.

The Stockholm exhibit was for the food industry only, and over 500 tradesmen registered for the week-long event. They came from firms representing over 80 percent of the Swedish food business, as well as from Denmark, Norway, and Finland.

Among the 500 U.S. processed foods shown, biggest impact was made by convenience foods like frozen, ready-to-serve items and turkey rolls. Attention also focused on dietetic foods; dehydrated, low-moisture fruits; and freeze-dried foods.

One U.S. representative, exhibiting for 15 companies commented: "The trade showed keen interest in most of our products. We secured 3 agents for 12 of our firms and made many valuable contacts, including some in other Scandinavian countries."

Another delegate representing eight Virginia firms added: "The trade was especially interested in our frozen foods, particularly oysters and stuffed shrimp. Apple juice and other apple products were also well received. As a result of the exhibit, negotiations are already under way for direct shipment of Virginia products to local chain stores."

By the close of the show, 10 exhibitors reported 160 useful new contacts, and 2 alone signed up 7 new agents. One firm boasted 100 inquiries from the Scandinavian trade. Dollar sales for 4 exhibitors totaled $886,000, while another 6 reported potential sales of over $1 million in the coming year as a result of the food show.

Honduras Purchases Purebred U.S. Livestock For $300,000

Honduras, a good market for American breeding stock, recently added 337 head of purebred U.S. cattle, horses, goats, and pigs to its herds.

Purchased immediately after the Houston Livestock and Rodeo Show earlier this year, the animals arrived in Honduras last month in good condition with no losses enroute. Their purchase value totaled some $300,000.

The Banco Nacional de Fomento bought 215 head of beef cattle, 5 head of dairy cattle, 14 quarterhorse stallions and 2 mares, 25 goats, and 13 pigs for resale to ranchers. The bank also took 7 head of beef cattle and 6 quarterhorses for use as foundation stock at the National Agriculture and Livestock Center, and independent ranchers bought an additional 50 head of cattle.

All the dairy cattle were Holstein-Friesian, while beef breeds included Brahman, Charolais, Red Polled, and Santa Gertrudis.

Israeli Citrus Exports Up As Harvest Nears End

Israel is harvesting a record citrus crop this year, leading to estimates that exports will rise more than 13 percent from those of 1965-66. Output of processing plants is also at a peak.

Recent estimates place the crop at 1.1 million tons, compared with 880,000 last season. However, quality of the crop is down. Already greater than normal early in the season, the percentage of culls increased further because of severe hailstorms and cold weather in late March.

Citrus exports are expected to reach 17 million cases valued at about $85 million, up from 15 million cases last year. With the season for Shamouti oranges over, tallies show shipments of about 10 million cases, over a million more than in 1965-66. The season for Valencias, the other big citrus export, ends this month.

Despite the larger export volume and a government program to support citrus marketing, returns to producers could decline because of higher picking, packing, and handling expenses. The subsidy program, announced in February, has been appropriated $5.5 million. Over $4 million is being paid to growers at the rate of 5 percent of the f.o.b. value of exported citrus. The remainder will be used for market development activities and to support the price growers receive from processors.

Western Europe takes most of Israel's exported citrus. Last year, countries of the European Free Trade Association bought more than half, and members of the European Economic Community 40.5 percent. In these markets, competition from Spain and northern Africa is strong. Almost 5 percent went to Eastern Europe and 3.5 percent to North America, Africa, and Asia.

The quantity of citrus processed by mid-March had already surpassed the total for all of last season. Processing plants have been working 24 hours a day. Even though all stocks from last year had been sold by the beginning of the current season, plants are short on storage space for citrus products.

New plastic tanks of 2-ton capacity are being used for bulk exports of juice and concentrates. In spite of processors' complaints of increased competition of U.S. citrus in Europe, sales continue in satisfactory volume.

New Hog-Disease Rules Aim To Recapture German Market

A national effort to regain the recent loss of a multimillion dollar pork export market in West Germany is making progress as 26 States are complying with a program to meet Germany's modified requirements for pork imports from the United States. These States account for 34 percent of U.S. hog marketings.

Last October, West Germany announced that pork products, including livers and kidneys, imported from the United States must be certified as not coming from farms quarantined for hog cholera or swine brucellosis or where the disease had existed in the preceding 60 days.

To meet the modified regulation, the 26 States have complied with a 5-point program issued by the Animal Health Division of the Agricultural Research Service. The program requires that:

- All cases of hog cholera and swine brucellosis be reported.
- All swine on farms where either of the diseases exists be kept under quarantine.
- All swine moving from quarantine premises to slaughter be identified and accompanied by a permit.
- The slaughterhouse receiving these hogs identify them as such, keep them segregated, and maintain records.
- Pork products from these swine be kept out of shipments destined for export to West Germany.

The Cooperative State-Federal Hog Cholera Eradication Program is sufficiently advanced to meet all these requirements. Regulations pertaining to swine brucellosis are adequate in the following 26 States: Georgia, Indiana, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, Tennessee, Utah, Vermont, West Virginia, Wisconsin, South Dakota, and Wyoming.

NRA Feed Program in Taiwan

The National Renderers Association hopes to boost U.S. tallow sales to Taiwan by encouraging its greater use in livestock feed. During the coming fiscal year, the organization plans to sponsor technical seminars and feeding trials and to distribute technical literature. Currently, most of Taiwan's imported tallow goes into soap.

KOMA Promotions Up Sales

A report from officials of the West German food chain Koch & Mann Nord GmbH (KOMA) shows a considerable rise in the firm's sales of U.S. foods as a direct result of in-store promotions late last year.

In the 2 months following promotions at the chain's 3,000 retail outlets, real sales of U.S. foods were 16 percent above those of the same period a year earlier. This excludes any increase resulting from the firm's growth.

Comparing sales of selected U.S. products 2 months after the promotions with those 2 months before, the firm came up with increases ranging from 17 percent for lemon juice to 43 percent for lentils. Poultry products—turkey thighs and drumsticks and chicken legs, backs, and necks—were up over 31 percent and canned fruits and vegetables—fruit cocktail, pineapple, peaches, asparagus cuts, and wax beans—up over 24 percent.

Outlook Dim in Latin America For Exports of U.S. Tobacco

U.S. exporters of leaf tobacco and tobacco products will find it increasingly difficult to market their products in Latin America, according to LeRoy Hodges Jr., FAS marketing specialist who recently conducted an on-the-spot survey. Moreover, U.S. tobacco will soon encounter growing competition in other world markets from leaf produced in Latin America.

Production of light cigarette leaf has expanded rapidly as a result of protectionist policies toward imports of tobacco and tobacco products, and the quality of the leaf is improving in most countries. For the next 2 or 3 years, the only bright spots for U.S. tobaccos appear to be Chile, Peru, and Ecuador, but even these countries plan to improve the quality of local leaf. Broadening duty-free trade between members of the Latin American Free Trade Association is another detriment to U.S. tobacco exports to the region.

Latin America's production of cigarettes is increasing at an annual rate of about 1 percent. Currently, the trend is away from the traditional black variety toward light, blended-type filter cigarettes. Although quality U.S. cigarettes are in strong demand—as evidenced by large-scale smuggling of U.S. brands into Venezuela, Colombia, Ecuador, Argentina, Uruguay, and Bolivia—there is little hope that these countries will liberalize their tobacco import policies.

Promotions Help U.S. Poultry Sales in Austria

U.S. poultry sales to Austria last year were up almost 90 percent from the 1965 level to 2,475,320 pounds. Partial credit for the boost belongs to the program of in-store promotions, demonstrations, trade exhibits, and other activities carried out by the Institute of American Poultry Industries (IAPI), acting for the U.S. poultry industry's International Trade Development Board.

IAPI's European market development office has already received a request from a large Austrian grocery chain for an American turkey promotion next Christmas. Pleased with a highly successful holiday campaign last year, the chain promises, "We would give you our fullest support and would naturally offer only U.S. turkeys in our Christmas program."

The 1966 campaign was instrumental in raising the chain's turnover of U.S. turkeys 45 percent above the 1965 level. The chain believes an early start on advertising helped make the campaign a success. Beginning December 5, ads appeared in the press and commercials over radio. Posters, price tables, polyethylene carrying bags, recipes, and brochures were prominent in the stores.

IAPI has also received favorable reaction to a recent U.S. poultry demonstration held at a school for the hotel trade in Bad Gastein. Called a "big success" by one of the school's teachers, the 3-day demonstration included classroom instruction and actual preparation of several poultry dishes. Each class lasted 3 hours and featured U.S. turkey parts, chicken legs, and turkey rolls. Following each session, students were given information kits, including recipes.

Consumption of poultry meat in Austria is moving upward, and prospects for further increases are bright as price relationships continue to change in favor of poultry. Total consumption of turkey meat, for example, rose about 18 percent last year. However, turkey is still relatively unknown in Austria, and few families serve it with any degree of regularity—leaving room for more expansion.

U.S. Wheat Sales to Japan Hit New Peak in 1966-67

Sales of U.S. wheat to Japan reached a record level during the Japanese fiscal year ending March 31, 1967—the fourth peak in as many years. However, the U.S. share of the market dropped slightly as those of Canada and Australia gained.

U.S. wheat exports to Japan totaled 2,064,577 metric tons, exceeding the 2-million-ton level for the first time. Sales of Dark Northern Spring and durum, especially the former, continued to rise, and prospects for future increases appear good for both classes. The breakdown by class and protein level of wheat was:

Class	*Metric tons*
Western White	747,438
Hard Winter 11.5%	323,990
Hard Winter 13%	546,555
Hard Winter Ordinary	280,725
Dark Northern Spring and Northern Spring 14%	151,855
Hard Amber Drum #2	14,014
Total	2,064,577

The U.S. share of Japan's market was 51 percent, a decline of 3.2 percent from the previous year. U.S. wheat industry officials attribute the drop to a less consistent supply of Hard Winter wheats on the West Coast and the larger amount of Canadian wheat moving in under the Japanese-Canadian wheat agreements. With sales of 1,608,860 tons, Canada took 39.7 percent of the market, compared with 37 percent in 1965-66. Australia, which sold Japan 378,363 tons, claimed 9.3 percent, a rise of 0.5 percent.

Ireland Establishes Angus Cattle Society, Herd Book

With Ireland's first purchase of U.S. Angus breeding cattle — some 25 head — now awaiting shipment, the Department of Agriculture and Fisheries and several breeders have formed an Irish Angus Cattle Society and established an Irish Angus Cattle Herd Book.

These actions were necessary to permit importation of Angus breeding cattle from the United States. Pedigree Angus now in Ireland are registered with the Aberdeen Angus Cattle Society in Scotland, but the Scottish Society will not list cattle, or their progeny, which are registered with the American Angus Association. Furthermore, the Scottish Herd Book does not list animals produced by artificial insemination, even if the sire and dam are listed with the Society.

To be eligible for registration in the Irish Herd Book, animals must be accepted for entry in the American Book or have sires and dams registered or eligible for registration in the Irish, American, or Scottish Herd Book. Cattle already listed in the Scottish Herd Book will not be eligible for the Irish one.

Animals entered in the Irish Herd Book will be recognized by the American Angus Association, and they and their progeny will be accepted for entry in the American Angus Herd Book. To be eligible, animals must have satisfactory growth rates and be free from undesirable characteristics.

Minor Agricultural Products Add Dash to U.S. Export Trade

Wheat, corn, soybeans, cotton, and tobacco—these are the big export crops of the United States. But for each of these money earners, there are scores of minor exports which, added together, form an important—and interesting—part of our agricultural trade.

Peppermint oil (Mentha piperita) is one such product. U.S. shipments of peppermint oil in 1966, at $8.2 million, were only 1/161 as large as those of our largest commodity export, wheat. Still, they were double peppermint oil exports in 1959, keeping secure the United States position as the prime source of this product. A common flavoring in chewing gum, candy, toothpaste, and medicine, peppermint oil is produced largely in the mid-West and West, especially in Washington's Yakima Valley—the mint capital of the world.

Peppermint oil is one of the few essential oils that is more important as an export than as an import. (Essential oil imports totaled around $32 million in 1966 and included such products as citronella, oil of cloves, and bergamot.) Among the few other essential oils that are noteworthy export products are spearmint oil and lemon and orange oils. Shipments of the latter two products totaled $1.7 million and $3 million, respectively, in 1966 and were used as flavoring in soft drinks and confections and as aromatic substances in cosmetics.

Another minor export is dextrose—commercially, a crystalline sugar obtained from the complete hydrolysis of starch. Dextrose, sold mainly as refined dextrose, is used by the baking industry and also by the confectionery and soft-drink industries. Shipments of dextrose bring in roughly $2 million, mainly from Canada, the United Kingdom, and Guatemala.

One product appearing on both the export and import lists is broomcorn. A type of sorghum, broomcorn is found in central United States and Mexico. There are two varieties—the dwarf type, whose bristles are used in small hearth brushes and wisk brooms; and the standard type, which is used in making large carpet and yard brushes. U.S. exports of broomcorn in 1966 were in the neighborhood of $550,000, most of them going to Canada; imports were $1.7 million.

One-market products

Hong Kong depends on the United States for most of its imported ginseng, a plant whose leaves and roots are used as curatives in Hong Kong and other countries of the Orient. Ginseng exports in 1966 were $4.4 million, or some 30 percent above the 1965 level of $2.9 million; virtually all of these go to Hong Kong. Compared with most agricultural exports, this is a high-priced item, bringing—on the average—$25 a pound in 1965. But of course, a pound of dried ginseng goes a long way.

The United States is the world's prime source of safflowerseed, from which comes a multipurpose oil that can be used as a salad and cooking oil; as an ingredient in the manufacture of margarine, shortening, and salad oils; and as a drying agent for paints and varnishes. U.S. production of safflowerseed has zoomed in recent years—from 15,000 short tons in 1954 to 351,000 in 1966. And exports—not even classified separately before 1965—hit $19.9 million in 1965, with $17.8 million of them going to Japan.

Still another one-market item is feathermeal, and here again Japan is the major buyer, taking most of the $5.4 million worth shipped out in 1966. Feathermeal is exactly that—ground feathers; it is used as a high-protein supplement in mixed feeds.

The flavor of soups, meats, frozen foods, baby foods, condiments, and sauces is often accented by the white crystalline powder, monosodium glutamate. Exports of this product have ranged between 2 million and 6 million pounds in recent years, and in 1966 they brought in roughly $1½ million.

Shipments of seeds, the starters of agriculture, must also be classified as minor exports, bringing in $38.8 million during fiscal 1966. Forage and turf seed exports, with a value of $18.7 million last year, are probably the best known of this group, but sizable quantities of vegetable and grain seed are also shipped out: in fiscal 1966, vegetable seed exports (including beans and peas) brought in about $11.2 million; and corn (other than sweet) and rice seed exports earned $2.8 million and $1.4 million, respectively. Exports of flowerseed that year brought only $1 million, but within this category are some astounding prices: some types of petunia seeds sell at $1,400 an ounce and more. Canada is the largest single market for U.S. vegetable seed exports, while Europe is the major buyer of flowerseeds.

Exclusively an export item

Some minor agricultural products, like Black Fat tobacco, are tailored strictly for the export market. Black Fat is made by applying steam to dark air-cured leaf or dark fire-cured and then dressing the product with mineral oil (the oil serves as a flavoring agent, as well as a protective against deterioration during storage in hot humid areas.)

Great care is taken in classifying the leaves as to length and to shades of color. Most of our Black Fat finds its way to coastal regions of West Africa and to certain other parts of the world where immigrants from the West Coast of Africa or their descendants now live. Exports in 1966 totaled $3.2 million and went largely to Nigeria and Ghana.

Among other exports not commonly thought of are the $1 million of cucumber pickles the United States generally ships to Canada, the $2-$2.5 million of dog and cat food, the $5.5 million of chewing gum, and the usual $1.5 million export of feathers.

Specialty food exports on the rise

Also resting at the bottom of the export list—but promising to become increasingly import in coming years—are a number of specialty and convenience foods. Potato flakes and granules for making of instant potatoes, which brought in $1.9 million in 1966, were not even listed separately in U.S. trade statistics until 1965. Shipments of shelled peanuts in August-July 1965-66 were almost three times exports 5 years earlier, and peanut butter, too, is beginning to catch on overseas.

Customers in these foreign markets are also being exposed to such easy-to-prepare poultry products as breaded chicken portions, turkey slices in gravy, and frozen precooked parts and to freeze-dried ice cream, popcorn, wines, and specialty cheese.

U.S. Ups Share of Trinidad-Tobago Grain Trade

The United States gained a bigger share of the wheat and flour business in Trinidad and Tobago during 1966, following the opening of a new flour mill in late 1965. These islands in 1966 imported 41,200 metric tons of wheat and flour (wheat equivalent) from the United States—48 percent of total imports of 84,700.

Receipts from Canada were 35,400 tons, and 8,600 came from other sources. In 1965, imports totaled 92,200 tons, with Canada supplying 44,800, the United States 32,700, and others 14,900.

In 1966, 31,400 tons of wheat were imported for milling, versus 7,900 in 1965. The United States supplied virtually all of the wheat in 1966.

The flour mill, which received advantages under Pioneer Status for a 5-year period, is obligated to produce quality flour at reasonable prices. U.S. wheat has been found by the management to meet that requirement.

In the animal feed area, corn imports have increased from 8,300 tons in 1961 to 30,200 in 1966. The United States supplied 26,500 tons last year.

Aside from corn, 1966 imports of feedstuffs included 6,900 tons of oilseeds and cake, 6,300 of prepared feeds and bone meal, 4,800 of mixed grains, and 3,300 of mixed meals.

Imports of prepared and mixed feeds are apparently adequate to supply the poultry industry, which has come of age. However, the rapidly growing swine and, to a lesser extent, cattle populations account mainly for increasing quantities of corn and protein meals. Most of these feedstuffs, including corn, come from the United States.

The projected construction of a modern slaughterhouse on Trinidad should further spur production of hogs. Corn imports are expected to increase considerably during the years immediately ahead. Trinidad grows no wheat, and only about 500 tons of locally produced corn is marketed yearly.

South Africa Raises Corn, Sorghum Estimates

South Africa's Division of Agricultural Marketing and Research, in its second estimate, has placed the corn crop now being harvested at 8.3 million metric tons. This is about 200,000 tons above the first estimate and 63 percent above the 5.1 million tons for both 1966 and the 1960-64 average.

The second official estimate of the grain sorghum crop is a record 844,000 tons, 17,000 tons higher than the first estimate. This compares with the revised figure for last year's harvest of 336,000 tons and the previous high of 438,000 in 1964-65.

Ontario's 1967 Flue-Cured Acreage Announced

The Ontario Flue-Cured Tobacco Growers Marketing Board on April 20 voted to cut the 1967 tobacco average in Ontario, Canada, by 9.8 percent of the basic marketable acreage quota, after allowing a 3-acre exemption on each farm. Last year's cut was 17.5 percent. Early indications that the basic marketable acreage might be increased, thereby allowing new growers to raise tobacco (granting Basic Tobacco Acreage-Rights), did not materialize.

Officially, the acreage decision was designed to produce a record crop of about 238.3 million pounds, using an average yield of 1,806 pounds per acre. This figure was based upon domestic manufacturers' requirements of 164.4 million, farm sales weight, plus an export demand of 73.9 million, farm sales weight. The latter figure includes a probable 67.5 million to be purchased by U.K. manufacturers, as opposed to the 55.5 million set from the 1966 crop. Unofficial reports from the United Kingdom indicate that manufacturers there encountered difficulties in purchasing that quantity at reasonable prices from the 1966 crop.

Quota acreage for the 1967 crop is estimated at 139,850 acres, or 9.1 percent larger than the 1966 quota of 128,141. Actual plantings this season are expected to set a new high of about 132,000 acres, compared with 117,511 last season.

Before the 1967 production goal was set at 238.3 million pounds, the Board met with domestic buyers to obtain price offers for this coming season's crop. The buyers indicated a range from 66 to 70 Canadian cents per pound, compared with their 1966 crop offers of 60 to 66 Canadian cents. The actual auction price for the 1966 crop averaged 71.36 cents for the 214.7 million pounds sold.

The current estimate for all Canadian flue-cured harvested last year is 223.7 million pounds from about 118,500 acres. Early forecasts for the entire 1967 Canadian harvest may approximate 250 million pounds. Increases in area planted this year are forecast for Quebec, Nova Scotia, and Prince Edward Island. Plantings in New Brunswick are expected to be the same as those for last year.

ONTARIO'S FLUE-CURED ACREAGE

Year	Basic marketable acreage	Allotment	Quota acreage[1]	Actual plantings
	Acres	*Percent*	*Acres*	*Acres*
1957	131,000	100.0	131,000	117,885
1958	142,957	85.0	125,087	117,672
1959	149,039	75.0	117,600	111,274
1960	150,145	85.0	131,638	123,816
1961	151,370	80.0	126,449	122,287
1962	152,186	75.0	120,831	116,571
1963	152,356	60.0	102,245	99,537
1964	152,443	45.0	76,059	73,479
1965	152,445	55.0	89,955	86,870
1966	[2]152,444	82.5	128,141	117,511
1967	[2]152,444	90.2	[2]139,850	[3]132,000

[1]Includes 6-acre exemption on each farm for 1957 through 1963 and a 3-acre exemption on each farm beginning with 1964 and for subsequent years. [2]Preliminary; subject to revision. [3]Forecast.

Mexico's Tobacco Exports Up Sharply

Mexico's 1966 tobacco exports were about double those of 1965. Sharply increased exports of burley and sun-cured leaf accounted for the big rise.

Exports of light tobaccos from Mexico last year totaled about 18 million pounds, of which burley amounted to some 12.7 million. West Germany took a large portion of

the burley exports. The other major market for Mexican leaf was the United States. Reported exports to the United States consisted of burley and dark tobacco (presumably cigar leaf) in about equal quantities.

MEXICO'S TOBACCO EXPORTS

Destination	1965		1966	
	Light tobacco	All tobacco	Light tobacco	All tobacco
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United States	1,622	3,917	2,131	5,691
Germany, West	1,938	1,938	13,362	13,362
France	2,098	2,098	.....	.....
Czechoslovakia	455	455	.....	.....
Bahamas	.....	321	.....	480
Belgium	300	393	838	932
Argentina	.....	.....	736	736
Uruguay	.....	274	455	675
Sweden	.....	.....	.....	4
Others	1,905	2,002	429	544
Total	8,318	11,398	17,951	22,424

Big Rise in Sweden's Tobacco Imports

Sweden's imports of unmanufactured tobacco rose sharply last year to replenish stocks following the small purchases made in 1965. Imports totaled 26.8 million pounds, compared with 16.6 million in 1965.

The United States supplied 23.2 million pounds to the Swedish market in 1966. This represented 87 percent of the total. Other principal suppliers in 1966 included Greece, Malawi, Mexico, Colombia, and Turkey.

SWEDEN'S TOBACCO IMPORTS

Origin	1964	1965	1966[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	24,337	6,676	23,162
Greece	2,019	1,931	692
Malawi	366	300	522
Mexico	675	943	518
Colombia	143	443	492
Turkey	203	849	225
Bulgaria	331	.....	201
Brazil	902	1,105	168
Rhodesia	426	791	.....
Others	1,584	3,556	799
Total	30,986	16,594	26,779

[1]Preliminary.

New High for Austrian Cigarette Output

Austria produced a record 10,858 million cigarettes in 1966—4.5 percent more than in 1965.

As in 1965, the brand called Smart Export easily was the most important produced in Austria, accounting for 32 percent of total 1966 sales. Smart Export contains about 50 percent U.S. leaf. Other leading brands in 1966 were Austria 3 and Falk.

The share of filter-tipped cigarettes in total cigarette sales increased from about 50 percent in 1965 to about 58 percent in 1966.

Output of cigars and cigarillos totaled 75.5 million pieces in 1966, compared with 74.7 million in 1965; pipe tobacco, 1,378,000 pounds (1,326,000); chewing tobacco, 61,000 pounds (66,000); and "roll-your own" cigarette tobacco, 393,000 pounds (339,000).

Colombia Expects Smaller Tobacco Harvest

The 1967 tobacco harvest in Colombia is estimated at 92.6 million pounds, compared with 97.6 million in 1966. Acreage this year is down about 6 percent from last year's 66,700 acres, mainly because of a recent drop in demand for export tobacco.

The 1967 harvest of light types of tobacco—flue-cured and burley—is placed at 2.5 million pounds, about the same as in 1966. Production of cigar-type tobaccos is estimated at 40.2 million, compared with 1966's 42.4 million. Outturn of other dark air-cured types during 1967 may total only 49.9 million pounds, compared with 52.7 million last year.

Preliminary information indicates that Colombia's 1966 tobacco exports were 29 million pounds, compared with 24 million in 1965. Exports to the United States totaled only 4 million pounds during the first 10 months of 1966, compared with 6.2 million for the like period of 1965. Data on exports by country of destination for the full calendar year are not currently available.

Argentine Cigarette Sales

Cigarette sales in Argentina in 1966 totaled about 24.0 billion pieces, a little less than the 25.1 billion sold in 1965. Sales of filter-tipped brands continued to rise, however, and accounted for 60 percent of the total, compared with 49 percent in 1965 and 34 percent in 1964.

Fishmeal Production and Exports by FEO

Production of fishmeal by members of the Fishmeal Exporters Association (FEO) in January 1967 increased to 344,100 metric tons from 292,600 in January a year ago and only 218,600 in December 1966. Larger production in Peru accounted for most of the increase.

FEO exports of fishmeal in January totaled 176,100 tons, compared with 198,200 in the same month last year and 226,900 in December 1966. The reduction chiefly reflected Peru's smaller exports, which amounted to only 100,300 tons, against 144,800 in January 1966.

Aggregate production in FEO countries during January 1967 exceeded exports by 168,000 tons, against 94,400 in January a year ago. The volume of stocks therefore continued to increase, chiefly in Peru.

Peruvian Fish Oil Supplies Increase

Supplies of Peruvian fish oil in 1967 are expected to be sharply above those of last year. The increase chiefly reflects the high volume of carryin stocks on January 1 and prospects of some increase in output.

Because of the marked increase in supplies, exports in 1967 are expected to rise sharply from the reduced 1966 volume of 87,400 tons. In the first 2 months of 1967 combined exports of crude and semirefined fish oil exceeded 80,000 tons, compared with only about 14,000 in the comparable period of 1966. Exports to the Netherlands and West Germany accounted for about three-fourths of the total. On April 20, prices for Peruvian fish oil, semirefined, basis European ports, were quoted at the equivalent of $125 per metric ton, or 47 percent below the $235 per ton of a year ago.

In 1966, output of fish oil accounted for about 76 percent of Peru's total production of fats and oils; cottonseed oil, for about 17 percent; and lard, tallow, and butter, for the remaining 7 percent.

Despite Peru's expanding production of fish oil, the demand for imported edible vegetable oils is increasing substantially. This reflects the fact that the bulk of Peru's fish oil is exported, with only about 12,000 tons being used for edible purposes. Also, indigenous production of cottonseed oil has trended downward in recent years. Therefore, the gap in edible vegetable oil supplies has been filled chiefly by imports of soybean and sunflowerseed oils. Total Peruvian imports of vegetable, animal, and marine fats and oils in 1966 amounted to about 72,300 tons, compared with 42,900 and 43,100 in 1965 and 1964, respectively. Of the total, imports of edible vegetable oils amounted to 39,000 tons in 1966, compared with 22,900 in 1965 and 9,100 in 1964. The increase in consumption chiefly reflected expanded per capita consumption of processed soybean and sunflowerseed oils.

PERU'S SUPPLY AND DISTRIBUTION OF FISH OIL

Item	1963	1964	1965	1966[1]	1967[2]
	1,000 metric	*1,000 metric*	*1,000 metric*	*1,000 metric*	*1,000 metric*
Supply:	*tons*	*tons*	*tons*	*tons*	*tons*
Stocks, January 1	4.9	5.9	68.8	24.0	52.0
Production	154.9	203.3	124.9	150.0	160.0
Total supply	159.8	209.2	193.7	174.0	212.0
Distribution:					
Exports	125.5	110.6	137.5	87.4	145.0
Consumption	28.4	29.8	32.2	34.6	37.0
Stocks, December 31	5.9	68.8	24.0	52.0	30.0
Total distribution	159.8	209.2	193.7	174.0	212.0

[1]Preliminary
[2]Forecast.
Official and other sources.

French Export More Rapeseed and Oil

Exports of rapeseed from France in 1966 rose to a record 132,029 metric tons from 126,367 in 1965. Most of these exports moved to Algeria and Italy. France ranks second only to Canada as an exporter of rapeseed.

Exports of rapeseed oil increased to 43,711 tons from 32,303 tons in 1965. with the bulk moving to Algeria and the Netherlands. As in 1965, France continued to be the leading exporter of rapeseed oil.

Current prospects based on a substantial increase in fall seedings seems to indicate that French rapeseed production in 1967 will increase from the 316,600 tons produced in 1966 and exceed the 1965 record of 338,000.

Use of Fats, Oils in U.K. Margarine Output

Utilization of fats and oils in the United Kingdom's production of margarine dropped slightly in 1966 from the 1965 volume. It amounted to 263,000 long tons, compared with 272,000 in the previous year and 283,000 in 1964. However, there were marked changes in the use of individual fats and oils as a result of changes in the market for raw materials.

Greatest increase was in the use of vegetable oils. These made up about 44 percent of all fats and oils used, compared with about 37 percent in 1965, and featured a large increase in palm oils and a drop in soybean oil. Use of animal fats declined sharply, mainly reflecting reduced availabilities of lard. Marine oils represented the principal source of fat used and made up almost 48 percent of total usage, compared with about 41 percent in the preceding year.

OILS AND FATS UTILIZED IN U.K. MARGARINE MANUFACTURE

Oils and fats[1]	1964	1965	1966
	1,000 long	*1,000 long*	*1,000 long*
Vegetable oils:	*tons*	*tons*	*tons*
Cottonseed	5	7	4
Peanut	13	11	14
Soybean	28	31	25
Coconut	12	10	8
Palm kernel	2	1	1
Palm	30	25	41
Other	15	15	22
Total	105	100	115
Animal fats			
Lard	73	51	14
Other	3	4	5
Total	76	55	19
Marine oils:			
Whale	19	13	5
Fish	78	99	120
Total	97	112	125
Butter	5	5	4
Total utilization	283	272	263

[1]Refined basis.
Ministry of Agriculture and Unilever Ltd., the United Kingdom.

Senegal's 1966-67 Peanut Estimates Raised

Senegal's 1966-67 peanut production is now officially estimated at 875,000 metric tons (unshelled basis). The commercial crop for crushing and export is officially estimated at 720,000 tons. However, the Office Commercialisation Agricole (OCA) expects a slightly larger commercial crop of 750,000 tons.

These estimates are considerably larger than those reported earlier (*World Agricultural Production and Trade*, April 1967) and indicate that drought damage was somewhat overestimated earlier in the season. However, they confirm the early indications of a sharp drop from the record 1,121,925 tons (985,000 commercial) of 1965-66.

Malagasy Republic's Vanilla Exports Down

Reflecting smaller sales to the United States, exports of vanilla beans from the Malagasy Republic during 1966 totaled 885 metric tons, valued at $9 million. Total sales were down 10 percent from the previous year's level of 984 tons valued at $9.9 million, with shipments to the United States off to 683 tons from 813 tons in 1965.

As a result of a successive series of bumper crops, the Republic's vanilla stocks have continued to rise and are now estimated to be in excess of 2,000 tons—enough to supply world needs for nearly 2 years. Stocks are expected to increase again this year, as output is estimated above the 950 tons of 1966 and will be above projected exports.

Gain in South African Canned Mixed Fruit

South Africa's 1967 production of canned mixed fruit has been estimated at 700,000 cases—up 15,000 from the

previous year. Fruit cocktail is the largest item and may total 400,000 cases, compared with 399,000 in 1966. The fruit salad estimate for 1967 is 300,000 cases as compared with 286,000 a year earlier. The United Kingdom has traditionally been South Africa's largest market, taking 503,000 cases, or 89 percent of 1965-66 canned mixed-fruit exports, which totaled 567,000 cases.

London's Canned Fruit and Juice Prices

Selling prices in London (landed, duty paid) of selected canned fruits are given in the following table:

Type and quality	Size of can	Price per dozen units April 1966	Jan. 1967	April 1967	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Whole, unpeeled, choice	303	2.40	2.52	2.52	U.S.
Halves:					
Fancy	2½	3.20	3.22	3.22	S. Africa
Choice	2½	4.02	4.43	4.43	U.S.
Do	2½	3.45	3.36	3.36	Australia
Do	2½	3.10	3.01	3.01	S. Africa
Do	#1[1]	1.84	1.86	1.86	S. Africa
Standard	2½	3.43	3.66	3.66	U.S.
Fruit cocktail, choice	303	2.76	2.62	2.62	U.S.
Do	8 oz.	1.70	1.58	1.58	U.S.
Do	2½	4.15	3.92	3.92	Australia
Fruit salad, choice	15 oz.	2.10	2.10	1.96	Spain
Grapefruit sections, quality not specified	20 oz.	2.73	2.80	2.73	Israel
Do	20 oz.	2.62	2.66	2.66	B.W.I.
Do	15 oz.	.....	.....	2.20	B.W.I.
Peaches, Clingstone, halves:					
Fancy	2½	3.38	3.22	3.22	S. Africa
Do	2½	3.55	3.40	3.40	Australia
Choice	2½	3.55	3.50	3.50	U.S.
Do	2½	3.27	3.08	3.08	S. Africa
Do	2½	3.45	3.26	3.26	Australia
Standard	2½	.....	3.08	3.08	U.S.
Pears:					
Fancy	2½	3.55	3.43	3.43	S. Africa
Do	2½	3.66	3.64	3.64	Australia
Choice	2½	7.10	4.46	4.46	U.S.
Do	2½	3.59	3.43	3.36	Australia
Pineapple:					
Slices:					
Fancy	2½	3.91	3.69	3.69	U.S.
Do	#2	2.94	2.80	2.80	U.S.
Do	16 oz.	1.89	1.96	1.96	S. Africa
Choice	2½	3.64	3.13	3.13	U.S.
Do	#2	2.73	2.23	2.23	U.S.
Do	2½	3.29	3.22	3.22	Formosa
Choice, spiral	20 oz.	.....	1.89	1.78	Malaya
Do	16 oz.	.....	1.64	1.61	Malaya
Round choice	20 oz.	2.31	.....	2.24	Formosa
CANNED JUICE					
Grapefruit, unsweetened	19 oz.	1.92	1.92	1.92	Israel
Do	43 oz.	4.34	4.27	4.34	Israel
Orange, unsweetened	43 oz.	4.44	4.48	4.55	Israel
Do	19 oz.	1.96	1.96	2.03	Israel
Do	16 oz.	.....	.....	1.82	S. Africa

[1]15 oz.

Hamburg's Prices on Fruits and Juices

Importers' selling prices, duty and tax paid, in Hamburg, West Germany, for lots of 50-100 boxes in April 1967, January 1967, and April 1966 follow:

Type and quality	Size of can	Price per dozen units April 1966	Jan. 1967	April 1967	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves					
Fancy	2½	.....	3.51	3.51	S. Africa
Choice	2½	.....	3.33	3.30	S. Africa
Quality not specified	2½	4.80	5.04	5.04	U.S.
Fruit cocktail:					
Choice, heavy syrup	2½	5.28	5.10	5.37	U.S.
Do	2½	4.32	.....	3.84	Australia
Choice, light syrup	2½	5.10	4.71	4.74	U.S.
Do	2½	.....	.....	4.47	Australia
Two-fruit, choice, light syrup	2½	4.05	3.87	3.87	Australia
Fruit salad, five fruits, quality not specified	2½	4.71	4.47	4.47	Spain
Do	2½	8.67	8.61	8.60	U.S.
Peaches, halves:					
Choice, heavy syrup	2½	4.05	3.84	3.81	U.S.
Choice, light syrup	2½	3.96	3.75	3.66	U.S.
Do	2½	4.02	3.72	3.57	Australia
Heavy syrup	2½	.....	.....	2.76	Bulgaria
Light syrup	2½	.....	3.57	3.60	Argentina
Pears:					
Halves, fancy, in syrup	2½	.....	5.22	4.74	Japan
Halves, choice, light syrup	2½	4.20	.....	3.57	Australia
Do	#10	.....	15.45	15.15	Australia
Quality not specified	2½	4.11	3.87	3.90	Italy
Do	2½	.....	.....	3.45	S. Africa
Do	2½	4.44	3.75	3.66	Argentina
Pineapple:					
Whole slices:					
Choice, 8 slices	2½	.....	4.29	4.11	U.S.
Do	12 oz.	.....	1.70	1.70	Malaya
Choice, no sugar	#2	3.36	4.02	4.02	U.S.
Choice	2½	.....	4.40	3.92	Philippines
Quality not specified	2½	3.75	3.54	3.51	Formosa
Do	2½	3.64	3.54	3.45	Ivory Coast
Do	2½	3.81	3.48	3.39	S. Africa
Quality not specified, 50-55 slices	#10	.....	13.35	13.05	Kenya
Pieces and halves:					
Fancy, extra-heavy syrup	2½	.....	4.38	4.38	Philippines
Quality not specified	2½	3.12	2.97	2.88	Philippines
Do	2½	2.10	3.00	2.88	Formosa
Do	#2	.....	1.95	2.04	Ivory Coast
Crushed:					
Fancy	2½	.....	4.05	4.35	U.S.
Do	#10	12.30	.....	12.12	U.S.
Quality not specified	#10	.....	8.55	8.85	Ivory Coast
Do	#10	.....	.....	9.75	Formosa
Do	#10	.....	12.06	12.06	Philippines
Sour cherries:					
Pitted, no sugar	#10	.....	.....	18.30	U.S.
Do	#10	.....	27.00	26.10	Poland
Pitted	303	.....	3.84	3.84	U.S.
Do	15 oz.	3.78	3.90	4.26	Canada
CANNED JUICE					
Grapefruit, unsweetened	43 oz.	4.52	4.11	3.87	Israel
Do	#2	1.98	1.92	1.77	Israel
Do	#2	.....	1.89	1.71	Greece
Do	#2	.....	1.71	1.54	China
Do	#2	2.19	2.25	2.25	U.S.
Orange, unsweetened	43 oz.	3.85	3.87	3.78	Greece
Do	#2	.....	1.73	1.68	Greece
Do	#2	1.62	1.68	1.56	China
Do	#2	1.74	1.80	1.80	Italy

Dutch Flower Exports Increase

Dutch exports of cut flowers, plants, and nursery stock

have shown a strong upward trend in recent years. Value of exports (in 1,000 U.S. dollars) during the last 3 years has been as follows:

	1964	1965	1966
Cut flowers	29,799	37,738	45,376
Plants	6,600	7,595	7,965
Nursery stock	17,013	18,815	20,803

U.S. Cotton Exports Continue To Rise

U.S. exports of all types of cotton amounted to 3,438,000 running bales in the first 8 months (August-March) of the current season. This figure is 54 percent above the 2,233,000 bales exported in the same period of 1965-66.

Exports in March were 401,000 bales, compared with 458,000 in February and 236,000 in March 1966. Exports during the remaining months of the current year are expected to continue well above last year. Record consumption in foreign Free World countries is contributing to increased U.S. cotton exports this year.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average			Aug.-Mar.	
	1955-59	1964	1965	1965	1966
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	11	3	1	4
Belgium-Lux	160	80	43	36	45
Denmark	17	6	7	4	5
Finland	22	11	8	6	11
France	360	184	108	86	125
Germany, West	475	217	92	73	133
Italy	416	260	102	71	187
Netherlands	124	65	38	31	25
Norway	10	13	10	9	9
Poland & Danzig	85	66	42	42	62
Portugal	28	22	6	5	1
Spain	171	28	10	9	1
Sweden	75	58	59	52	53
Switzerland	64	66	35	31	65
United Kingdom	525	153	131	108	112
Yugoslavia	108	109	169	117	135
Other Europe	17	11	12	9	9
Total Europe	2,690	1,360	875	690	982
Australia	54	60	33	27	14
Canada	217	390	269	209	185
Chile	35	1	3	3	2
Colombia	33	1	57	56	1
Congo (Kinshasa)	0	29	25	20	8
Cuba	27	0	0	0	0
Ethiopia	4	4	20	14	6
Hong Kong	134	150	94	72	137
India	184	243	63	32	187
Indonesia	30	47	(1)	0	131
Israel	16	23	5	5	1
Japan	1,154	990	705	550	984
Korea, Rep. of	205	261	301	194	237
Morocco	10	12	12	10	10
Pakistan	14	9	6	6	3
Philippines	64	75	93	57	103
South Africa	26	43	27	22	28
Taiwan	153	203	178	140	270
Thailand	4	55	55	42	46
Tunisia	0	6	13	10	12
Uruguay	15	0	(1)	0	0
Venezuela	2	6	5	5	1
Vietnam, South[2]	2	63	73	46	47
Other countries	27	29	30	23	43
Total	5,100	4,060	2,942	2,233	3,438

[1]Less than 500 bales. [2]Indochina prior to 1958; includes Laos and Cambodia.

Argentina Harvesting Smaller Cotton Crop

The 1966-67 cotton crop now being harvested in Argentina is estimated at about 450,000 bales (480 lb. net), down sharply from 537,000 and 634,000 the last 2 seasons.

An acreage reduction of 27 percent from a year ago is the principal reason for the smaller 1966-67 crop, as farmers shifted to other more profitable crops. Harvested area is placed at 900,000 acres in the current season, a reduction of 16 percent. Although recent heavy rains caused some damage in isolated areas, favorable weather conditions in January and February assured good yields.

Cotton exports in 1966-67 are expected to total about 130,000 bales, four times greater than the 1965-66 exports of 34,000 bales. Sales to Japan comprised more than half the total exports during the first 4 months of this season, totaling 18,000 bales compared with 840 for the same period in 1965-66. Shipments of 7,200 bales to Hong Kong, 4,000 to Belgium, and 1,500 to France comprised the major part of the 33,000-bale total exports for August-November 1966-67, against only 11,000 during the same months of 1965-66.

The export-rebate program, previously adopted to stimulate sales of lower grades of cotton, was abolished, following the 40-percent devaluation of the peso on March 15. An export tax was imposed on most commodities, with the tax on raw cotton established at 20 percent. Since the export tax applies equally to all grades of cotton rather than to just the lower grades, as did the 12-percent rebate, it is possible that some higher quality will be exported. Argentina generally retains the better qualities of cotton for consumption and exports only the lower grades.

Consumption has remained relatively steady and is estimated at 520,000 bales for the current season compared with 515,000 in the previous year and 510,000 for 1964-65.

Argentina's cotton imports, mostly from Peru, in August-February were 33,000 bales, against 46,500 in 1965-66.

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Correction: Title of first article on page 6, *Foreign Agriculture*, May 8, 1967, should read "World Output of Flaxseed Hits Lowest Level in 7 Years."

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MAY 25 1967

Highlights of the Agriculture and Trade of Burma

Resources:—Burma covers 262,000 miles, an area about the size of Texas, and has a population of 25 million. A high mountain rim extending along three sides of Burma cuts off the country from its neighbors. Along the Chinese border, Burma's mountain peaks reach 15,000 feet, while on the Indian border the highest are 8,000 feet. The coastline of Burma extends 1,200 miles along the Bay of Bengal and the Andamen Sea.

Most of the population is located in the low valleys of the Irrawaddy, Chindwin, and Sittang Rivers, which provide fertile conditions for Burma's agriculture.

Burma's climate is generally tropical. The June-September Southwest monsoon is characterized by heavy rains and persistent cloudiness. The December-February Northeast monsoon has scant rainfall and cool temperatures. Rainfall along coastal areas reaches 200 inches per year, but is only 20 inches in the central dry zone.

Burma is a richly endowed country in terms of natural resources in relation to population, yet little has been done in recent years to develop these resources. As a result, the country is now suffering from economic stagnation and a falling off in the level of living of the people.

Agriculture:—Rice is the principal crop, occupying some 12 million of the estimated 17 million acres of cultivated land. More than half the population participates in rice cultivation or some aspect of the rice industry. Harvests during the 1960's have been the highest in Burma's history—about 8 million metric tons—but yields are still low for the region. Although the government provides assistance in mechanization, credit, and fertilizer supplies, farmers have not responded with increased sales of rice to official government agencies. Farmers believe that official purchase prices have been too low and in recent years have sold decreasing volumes to state agencies.

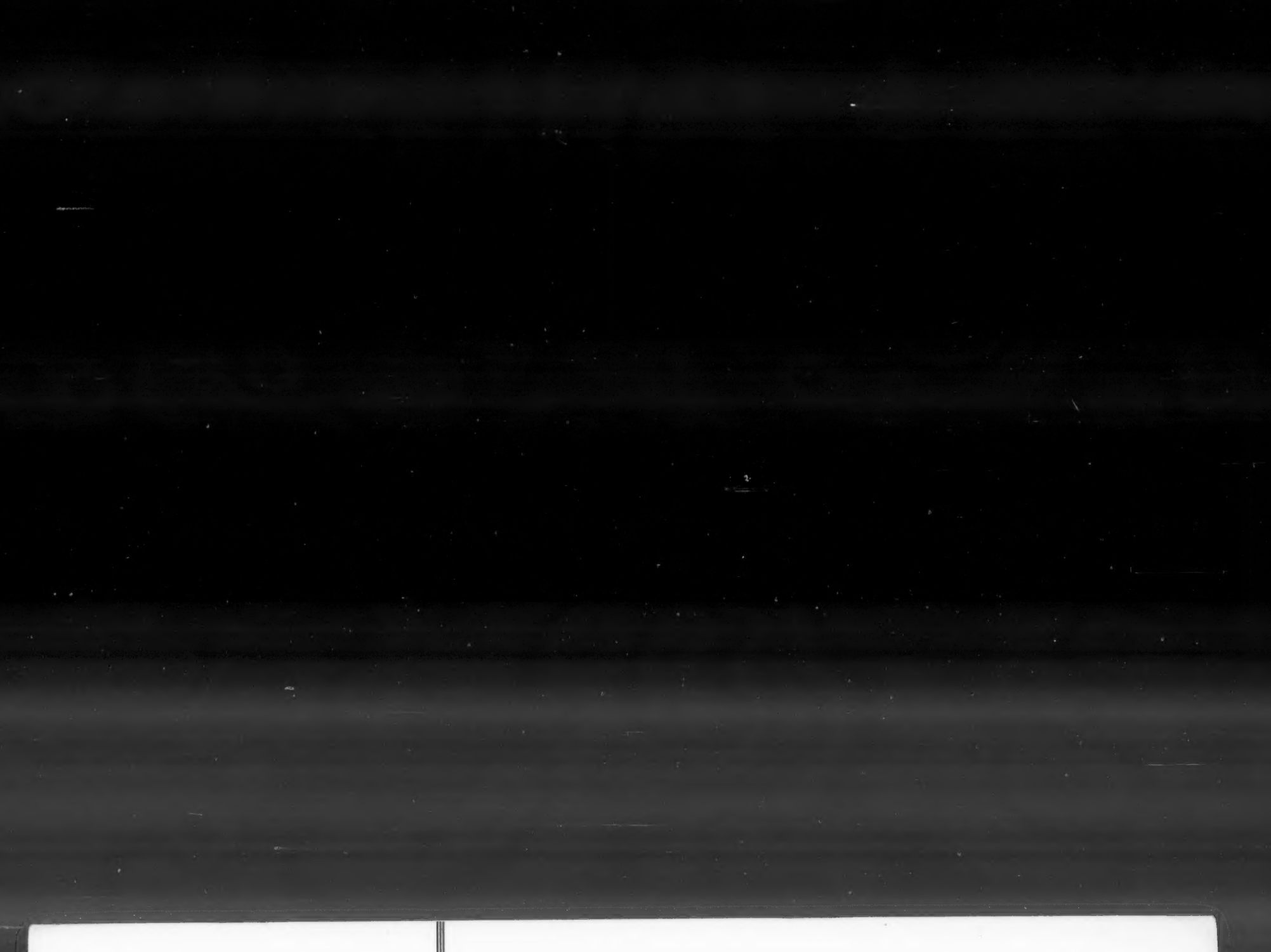
Land devoted to such other crops as coconuts, sesame, peanuts, pulses, cotton, tobacco, and vegetables increased 16 percent during the 1960's, and harvests have generally been good. Rubber production, largely a nationalized industry, has decreased steadily since peak production of 24,000 metric tons in 1961. About 15,000 metric tons were produced in 1965 and 1966, but there is no indication that previous high levels will be achieved again in the near future.

Food situation:—Adequate supplies of food exist in Burma, but the highly centralized distribution system can not always match proper supplies with regional demand. The government took control of almost all food supplies in January 1966, and widespread disruption and unemployment soon followed. Six months later, the government allowed private merchants to retail 34 basic items including such staples as onions, chillies, and pulses, and supplies become more generally available.

Food availability in Burma is estimated at 2,100 calories per day, about the same as in India and Ceylon.

Foreign trade:—Rice is the principal export commodity, providing almost two-thirds of export values. Burma's exports of rice have been decreasing in recent years, and although world prices are higher, total returns have decreased. Burma exported 1.7 million tons in 1963 and 1.1 million tons in 1966. Export of rice in 1967 is expected to be significantly lower than 1966 exports. Exports of other products are also expected to decrease in 1967, but by a smaller margin. Agricultural products account for less than 10 percent of Burma's imports.

Agricultural trade with the United States:—The United States is not a significant market for Burma's exports, and it supplies only a small part of Burma's imports. Principal agricultural products imported by Burma are cotton, dairy products, tobacco, and soybean oil.

Factors affecting agricultural trade:—Burma is essentially self-supporting in agricultural products and is actively discouraging any increase in import levels.

—WILLIAM J. C. LOGAN
Foreign Regional Analysis Division, ERS